

January 13, 2022

The Honorable Kumar P. Barve  
Environment & Transportation Committee  
House Office Building, Room 251,  
6 Bladen St., Annapolis, MD, 21401

**RE: HB 107 - Cooperative Housing Corporations, Condominiums, and Homeowners Associations - Reserve Studies- Support with amendment.**

Dear Chairman Barve:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding HB 107 - Cooperative Housing Corporations, Condominiums, and Homeowners Associations - Reserve Studies. MBIA supports this measure with amendments.

This measure requires a study every five years of the reserves required for future major repairs and replacement of the common elements of a condominium or common areas of a homeowners association (HOA). This requirement would apply to all cooperative housing units, condominiums, or an HOA that has initial purchase and installation costs for all components of more than \$10,000.

Associations should have flexibility to make business decisions regarding funding, which is not available in this bill. Given the expense incurred as a result of this bill, we propose inserting language into the bill that would allow for HOA's to avoid the expense of a reserve study if they do not own condominiums that have the potential to require expensive replacements and repairs and thus must maintain funding levels in order to meet those obligations. We propose that this bill not apply to Associations that do not have recreational amenities and/or private roads.

MBIA respectfully requests the Committee adopt this amendment and give this measure a favorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or [lgraf@marylandbuilders.org](mailto:lgraf@marylandbuilders.org).

cc: House Environment and Transportation Committee Members